

Funding Opportunity Announcement

FY22 Commercial, Industrial & Agricultural (CI&A) Grant Program

Program Description: The Maryland Energy Administration (“MEA”) is providing the Fiscal Year 2022 Commercial, Industrial & Agricultural Grant Program (“FY22 CI&A Program”) to Maryland commercial, industrial, farms, and other agricultural entities for the implementation of energy efficiency improvement projects to their facilities. The FY22 program has a total anticipated budget of \$3,350,000, which will be divided into two separate application periods to best support energy efficiency projects for agriculture, manufacturing, and businesses that may be in varying planning stages.

Type of Grant Program: Competitive

Application Deadline: The FY22 CI&A Program will be split into two consecutive competitive Application Periods. Open and close dates for both AOIs are as follows:

- Application Period 1: July 27th – October 27, 2021. Applications are due by 11:59 P.M. on October 27th. Applications will be reviewed on a competitive basis by an Evaluation Team. Award announcements will be made as applications are competitively selected for award.
- Application Period 2: October 28th – December 28, 2021. Applications are due by 11:59 P.M. on December 28th. Applications will be reviewed on a competitive basis by an Evaluation Team. Award announcements will be made as applications are competitively selected for award.

Eligible Applicants: To be considered for a grant award, an application must be complete, accurate, and signed by an authorized representative of the business owner. Contractors may not apply on behalf of clients.

AOI 1: Commercial & Industrial Sector

- Businesses (registered corporations, LLPs, LLCs, GPs, etc.)
- Manufacturers & Industrial Entities
- Nonprofit Organizations
- Private Schools (Pre-K, K - 12)
- Privately-owned Colleges and Universities
- Other types of commercial buildings on a case-by-case basis.

AOI 2: Agricultural Sector

- Farms and Businesses in the Agricultural sector

- Entities that fall within NAICS Codes 11

Ineligible Applicants:

- Data Centers (MEA provides energy efficiency incentives for data centers through its Data Center Energy Efficiency Grant Program.)
- Public Schools (Public school systems are eligible to apply for low-interest loans for energy efficiency projects through MEA's Jane E. Lawton Conservation Loan Program.)
- Local Governments (Local government entities can participate in MEA's Maryland Smart Energy Communities program.)

Eligible Activities:

The FY22 CI&A Program is available for projects that increase the energy efficiency of electric and non-electric fuel consumption of existing facilities or dedicated spaces within buildings. This program does not include transportation fuel usage. Examples of possible energy efficiency measures include but are not limited to the following:

- Building insulation and envelope improvements
- Lighting and Controls*
- Motors and variable frequency drives (VFDs)
- Heating, ventilation, and air conditioning (HVAC) upgrades
- Refrigeration
- Retro-commissioning or recommissioning
- Energy data analytics and operational changes to improve energy efficiency

** Lighting paired with controls will be considered one measure under the FY22 C&I Program. MEA cannot provide funding for incandescent, fluorescent (CFL, T5, T8, etc.), or halogen lighting.*

NOTE: A dedicated space is a partitioned space within an overall facility with a clearly distinguished purpose from the rest of the facility. If not separately metered for electricity/gas/etc., the Applicant organization must be able to derive and document consumption of the dedicated space from the overall energy charges.

Ineligible Activities:

- Renewable energy measures are not eligible for funding under the CI&A Program. Applicants employing renewable energy measures may be eligible for funding for these measures from MEA's Commercial Clean Energy Grant Program.
- Fuel switching measures are not eligible for funding under the CI&A Program. Fuel switching is considered switching from one energy fuel type to another solely for fuel cost reasons with little, negligible, or no net reduction in energy consumption.
- CI&A Grant Program funds cannot be provided for Combined Heat and Power ("CHP") systems. Applicants seeking incentive dollars for a CHP system should explore MEA's Combined Heat and Power Grant Program.

Program Budget: The CI&A Program budget in Fiscal Year 2022 will be divided between two application periods, subject to availability. The total budget for FY22 is anticipated to be \$3,350,000, of which \$1.5

million shall be used only in the Pepco and Delmarva utility service territories as the funding source originated from [Public Service Commission Order No. 88128 - Case No. 9361](#).

Subject to availability, application period timeline and expected budgets are as follows:

- \$1,675,000 for applications received in Application Period 1 from July 27th – October 27th, 2021; of which \$800,000 will be reserved for applications eligible under AOI 2.
- \$1,657,500 for applications received in Application Period 2 from October 28th –December 28th, 2021; of which \$800,000 will be reserved for applications eligible under AOI 2.

If funds are not exhausted in Application Period 1, the remaining funds will be reallocated to Application Period 2. If funds allocated to a specific AOI are not exhausted, the remaining amount may be reallocated to another AOI.

Evaluation Criteria:

- Completeness of application
 - As this is a competitive program, incomplete applications will not be considered.
- Amount of Energy Saved
 - Eligible projects must reduce existing or projected baseline facility/dedicated space total energy (electricity and non-electric (thermal) energy) consumption by at least 18% (AOI 1) or 10% (AOI 2) in aggregate.
- Accuracy of Energy Savings Data
 - The Applicant Organization must support the anticipated energy savings of its project through sufficient backup documentation. The preferred method that most fully supports estimated energy savings is through a third-party energy audit of the facility/dedicated space. In order to be deemed eligible, the energy savings estimates must adequately and reasonably support the claimed energy savings.
 - While MEA will follow-up to clarify minor questions regarding energy savings estimate methodology, any energy savings estimates deemed to be missing or insufficient may result in an application being categorized as ineligible by MEA.
- Number of Energy Conservation Measures (“ECMs”) Implemented.
- Cost-effectiveness
 - Projects should have a simple payback period less than the average useful life of installed measures. MEA may evaluate cost-effectiveness per measure and in aggregate.
- Project Feasibility
 - The project must be completed within eighteen (18) months of the execution of a Grant Agreement with MEA, unless extended by MEA. Extensions will only be granted with sufficient justification and solely at the discretion of MEA.
- Geographic Diversity
 - MEA reserves the right to consider a project’s location within the State when determining an award decision to enhance geographic diversity.

Minimum Criteria:

At minimum, each proposed project must meet the following requirements:

- Be located in an existing facility within the State of Maryland which is owned or leased by the Applicant organization;
- **Reduce total facility energy (electricity and non-electric (thermal) energy) consumption by at least 18% (AOI 1) or 10% (AOI 2) of its baseline consumption on a MMBTU/year basis.** For example, if a project proposes only electricity measures, the 18% requirement applies only to its electricity baseline. If it employs thermal-only measures, the 18% requirement applies only to its thermal baseline. If it employs both types of measures, the combination of saved energy must achieve 18% in MMBTU savings from its combined electricity and thermal baselines;
- Must be cost-effective—where cost-effectiveness is defined as an overall aggregate simple payback of the energy efficiency measures **before the application of rebates, incentives, and other leveraged funds** of up to twenty (20) years, depending on the type of energy measures being proposed. All measures must have a payback shorter than the expected lifetime of the installed equipment. MEA typically uses the Mid-Atlantic Technical Reference Manual to establish the anticipated life of equipment. While other resources may be used, MEA reserves the right to determine acceptable payback periods;
- Be composed of at least two (2) significant energy conservation measures (“ECMs”) that replace or improve existing equipment, technology, or building envelope/materials. To be considered a separate ECM, each measure shall utilize at minimum 10% of the total project costs **before the application of rebates, incentives, and other leveraged funds.**
- Have a total cost, **before the application of rebates, incentives, and other leveraged funds,** of at least \$20,000.
- If located within one of Maryland’s five major utility service territories (BGE, PEPCO, Potomac-Edison, Delmarva Power & Light, SMECO) that offer commercial EmPOWER utility rebates for energy efficiency measures, Applicants must either apply for eligible measures within their projects or submit formal intent to MEA to apply.

Note: Eligible projects must establish an energy consumption baseline for the facilities or dedicated spaces proposed for upgrade. A baseline is considered as consumption data from the most recent 12 consecutive months’ utility bills. Consumption information for past months is available from the utility provider. Applicants must then base the savings generated by their projects from these baselines. Projects that employ electricity and non-electricity ECMs will have their baseline consumptions converted to MMBTUs and aggregated for an overall energy usage baseline. Baseline consumptions should be expressed in the following units:

- Electricity Measures: kilowatt-hours (kWh)
- Natural Gas Measures: therms
- Propane and Fuel/Heating Oil Measures: gallons (gal)
- Other Types: Contact MEA (see the section entitled “Additional Information” below)

Review Process:

The MEA Program Manager will assemble a Review Team of at least 3 MEA staff members. MEA may utilize technical assistance to provide analysis at the Program Manager’s discretion. All team members will review each complete application. Any recommendation against an award will be discussed by all

team members during an in-person (or virtual) meeting. A majority vote of the team members will be required to disqualify an application for a reasonable cause. Any disqualification will be documented in the Program Manager's award recommendation memo to the Director (MEA). Recommendations for funding are subject to the amount of funding available. If program funding is exhausted, the review team may recommend holding one or more additional eligible projects for consideration if additional funding becomes available before the end of the fiscal year. The Program Manager will make recommendations to the Director, incorporating input from the Review Team.

Award Formula:

Area of Interest (AOI) 1: Commercial & Industrial Entities

Award amounts will be calculated at rates based upon three (3) tiers of energy savings, within the confines of the available budget:

- Tier 1 – Corresponds to 18% - 21% reduction in overall energy usage. Incentive Level: Up to 30% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$150,000, whichever is lower;
- Tier 2 – Corresponds to 21.1% - 25% reduction in overall energy usage. Incentive Level: Up to 40% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$175,000, whichever is lower; or,
- Tier 3 – Corresponds to 25.1%+ reduction in overall energy usage. Incentive Level: Up to 50% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$200,000, whichever is lower.

Area of Interest (AOI) 2: Agricultural Entities

Award amounts will be calculated at rates based upon three (3) tiers of energy savings, within the confines of the available budget:

- Tier 1 – Corresponds to 10% - 15% reduction in overall energy usage. Incentive Level: Up to 30% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$150,000, whichever is lower;
- Tier 2 – Corresponds to 15.1% - 20% reduction in overall energy usage. Incentive Level: Up to 40% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$175,000, whichever is lower; or,
- Tier 3 – Corresponds to 20.1%+ reduction in overall energy usage. Incentive Level: Up to 50% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$200,000, whichever is lower.

Partial awards:

Partial awards may be awarded under the Program. Full grant awards will be for approved projects, based on ranking, from highest to lowest. If sufficient funds are not available to fully fund a project, the applicant will be given an option to accept partial funding, based on budget availability, for the project as originally submitted. If the applicant does not accept partial funding for the project, MEA will offer the remaining funding to the remaining approved but unfunded applicants in order of ranking (highest to

lowest). MEA will follow this process until all funding has been expended, or until all remaining approved applicants have rejected the offer. While MEA anticipates using the full amount of allocated funds for this program, MEA reserves the right to obligate some, all, or none of the FY22 CI&A budget based on the quality and eligibility of applications submitted.

Required Application Documents:

1. **MEA Application Package:** Please find an excel application form on our [website](#).
2. **Energy Savings Documentation:** Applicants must clearly document their proposed energy savings either through a facility/dedicated space Energy Audit or through savings estimates using the Mid-Atlantic Technical Reference Manual ("TRM").
3. **EmPOWER Utility Rebate Application(s)/Letter of Intent:** Applicants located within one of Maryland's five major utility service territories must apply or submit formal intent to apply to the incentives offered by their utilities for eligible ECMs. Applicants who have applied must include copies of their completed applications, and applicants who have not yet applied must submit a letter of intent to apply.
4. **Certificate of Status from the Maryland State Department of Assessments and Taxation ("SDAT"):** Applicants must be in Good Standing with the State of Maryland at all times.
5. **Nutrient Management:** If applicable, a current Nutrient Management Plan (NMP) and have submitted the Annual Implementation Report (AIR) to Maryland Department of Agriculture.
6. **W9:** A W9 form is required for the entity applying for grant funds.

Submission Instructions:

Save the completed Application Form with the following filename format: ORGANIZATION NAME_FY22_CIA_APPLICATION. *For example, an Application for "Cait's Kayak Company" would be saved as "CAITS KAYAK COMPANY_FY22_CIA APPLICATION"*

Next, send the completed Application and necessary supporting documentation to ci.mea@maryland.gov with the name of the Applicant Organization and "FY22 CI&A Application." *For example: "Cait's Kayak Company FY22 CI&A Application."*

MEA is encouraging the use of electronic applications to streamline processing. If you cannot apply electronically, please contact ci.mea@maryland.gov.

Grant Program General Provisions: MEA grant programs are covered by general provisions that apply to all energy programs. A copy of the General Provisions document is available on [MEA's website](#); this document will be incorporated into all FY22 grant agreements issued by MEA.

In addition to the general provisions, the following funding qualification applies to this program:

- MEA will not reimburse any costs incurred by a Grantee for a project prior to execution of a Grant Agreement.

Questions can be directed to Program Manager, Cait Whiteleather at ci.mea@maryland.gov or via phone, (410) 913-7537.